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AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

June 19, 2008

The Honorable John Nelson, Chair  
Joint Legislative Audit Committee

The Honorable Robert Blendu, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Nelson and Senator Blendu:

Our Office has recently completed an 18-month followup of the Avondale Elementary School District's implementation status for the 10 audit recommendations presented in the performance audit report released in November 2006. As the attached grid indicates:

- 9 recommendations have been implemented, and
- 1 recommendation is in the process of being implemented.

Our Office will continue to follow up at 6-month intervals with the District on the status of the recommendation that has not yet been fully implemented.

Sincerely,

Ross Ehrick, CPA  
Director, Division of School Audits

Enclosure

cc: Dr. Catherine Stafford, Superintendent  
Governing Board  
Avondale Elementary School District

# Avondale Elementary School District

## 18-Month Follow-Up Report To

### Performance Audit Report Issued November 2006

#### CHAPTER 1: Administration

Recommendation	Status of Implementing Recommendation	Additional Explanation
<p>1. The District should seek counsel regarding the legality of bonuses paid to classified employees and whether any repayments are required.</p>	<p><b>Implemented at 12 months</b></p>	<p>The District consulted with its attorney about whether the payments were contrary to law, whether the District has a legal right to recover any improperly paid monies, and if so, whether the District is legally obligated to pursue repayment. As stated in a letter to the District, the attorney's opinion is that some of the payments were in accordance with law and some were not, the District may or may not have a legal right to recover the funds based on the facts specific to each employee, and that pursuit of repayment is a decision to be made by the Governing Board after weighing whether such action is in District's best interests. Based on this opinion, the District's Governing Board decided not to pursue recovery of any performance pay monies paid to employees.</p>
<p>2. The District should ensure that all compensation, including performance pay, is specified in employment contracts.</p>	<p><b>Implemented at 6 months</b></p>	

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#### CHAPTER 1: Administration (Concl'd)

3. The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without an independent review and approval.	<b>Implemented at 6 months</b>	
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#### CHAPTER 2: Food Service—No Recommendations

#### CHAPTER 3: Student Transportation

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Additional Explanation</b>
1. The District should ensure that its drivers complete daily logs with beginning and ending odometer readings and that it uses the actual mileage when reporting route mileage for state funding purposes. Further, the District's drivers should record the number of students on each route, route times, and route mileage for each route segment to aid in evaluating the efficiency of bus routes.	Implementation in Process	The District requires all drivers to complete daily logs with beginning and ending odometer readings, the number of students on each route, route times, and route mileage for each route segment. However, the District did not use the actual mileage from the bus logs when reporting route mileage for state-funding purposes.

# Avondale Elementary School District

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#### CHAPTER 3: Students Transportation (Concl'd)

2. The District should develop a schedule for required certification activities and designate an employee as responsible for ensuring that all drivers are properly certified and that driver files are kept up to date.	<b>Implemented at 6 months</b>	
3. To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, including cost per mile, cost per rider, driver productivity, bus capacity utilization, and ride times.	<b>Implemented at 12 months</b>	

#### CHAPTER 4: Plant Operation and Maintenance

<b>Recommendation</b>	<b>Status of Implementing Recommendation</b>	<b>Additional Explanation</b>
1. The District should continue to monitor its electricity usage and implement an energy conservation plan to help reduce energy usage.	<b>Implemented at 18 months</b>	

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#### CHAPTER 5: Proposition 301 monies

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should ensure that its Proposition 301 plan addresses which positions are eligible for Proposition 301 pay and the amount of performance pay that employees can earn.	Implemented at 6 months	
2. The District should ensure that it pays eligible employees' base pay in accordance with statute and its governing board-approved plan. Further, the District should reimburse the Classroom Site Fund with monies from the appropriate funds.	Implemented at 6 months	

#### CHAPTER 6: Classroom Dollars

Recommendation	Status of Implementing Recommendation	Additional Explanation
1. The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.	Implemented at 12 months	